

INTERDEPARTMENTAL MEMORANDUM

SUBJECT: Work Programs for Fiscal Year 2004-05
General Information and Instructions



DATE: May 26, 2004

TO: All Departments and Agencies

FROM: Keith E. Todd, State Budget Officer Bureau of the Budget

Computer generated Appropriation/Allocation and Expenditure forms are no longer distributed to departments and agencies that have access to the Budget and Financial Management System (BFMS). To obtain these forms for FY 05, access the Budget Guidelines report option by selecting Biennial under Reports. Appropriation/Allocation and Expenditure forms will be provided to offline departments and agencies.

Complete the work program only after reading the information contained on the following pages. A listing of Sta-CAP rates to be utilized in preparation of the work programs is included as an attachment in this package.

Budget Submission for Departments and Agencies that have access to BFMS

BFMS requires approval of the work program at the reporting level as well as the Umbrella level, therefore, departments and agencies that have access to BFMS are no longer required to submit printed forms for each account. Printed forms must be submitted by Fund for each Umbrella, and must be signed by the Department or Agency head and submitted to this office. Work papers must be available in your office to assist with our analysis.

Budget Submission for Departments and Agencies that do not have access to BFMS

Printed forms for each account must be signed by the Department or Agency head and submitted to this office. The set of forms that comprises the work program submission for each account should then be assembled in expenditure, dedicated revenue or undedicated revenue and transfer sequence and stapled in the upper *left* hand corner. All such sets of forms should be sorted by fund/account number. Work papers must be available in your office to assist with our analysis.

Deadline for completion and filing will be FRIDAY, June 11, 2004.

Non-emergency legislation from the recently completed special session of the 121st Legislature, including chapter 673, will be done by separate financial order when it becomes effective at the end of July.

Please feel free to contact your analyst/examiner if you have any questions.

KET/bd
Attachments

INDEX

General Information	1
Line Categories.....	1
Personal Services	1
All Other	2
Capital Expenditures.....	2
Revenues.....	2
Character & Object Codes	3
Encumbrances and Unencumbered Balances	3
Transfers	3
Federal Accounts from Multiple Sources	4
Data Entry, Printing and Submission	4
Performance Measures	4

Attachments

Attachment A - Sta-CAP Rates

GENERAL INFORMATION

Work programs must be submitted in accordance with legislative appropriations/allocations. Following are key points to be considered in the work program preparation process:

- Any proposed change in your work program during the fiscal year requires a financial order approved by the State Budget Officer and the Governor.
- Prepare the work programs with sufficient accuracy to ensure that budget orders are kept to a minimum.
- Accrued salary savings may be used only for non-recurring Personal Services as provided for in the Preamble to the Appropriations Act.

Work program analysis will be completed using the following criteria:

- Personal Services may be front loaded only to the extent that it represents the impact of approved reclassifications.
- Amounts by expenditure code must conform to the FY 2004-05 budget. Variances must be explained in writing.
- Retirement, and health, dental and group life insurance, and Sta-CAP will be tested for reasonableness.
- Total applicable Capital Expenditures allotment must agree with the budget.

LINE CATEGORIES

Allotment in each account by the line categories of Personal Services, All Other and Capital Expenditures shall not exceed the amounts actually appropriated/allocated. BFMS enforces the distribution of expenditures consistent with the budget at the account and line category level for departments and agencies that have access to BFMS. In cases where substantial deviation from budgeted amounts for individual expenditure codes is contemplated, justification in the form of a spreadsheet or memo must be provided detailing the proposed adjustment.

Personal Services. Computations for Personal Services needs must provide for all authorized and funded positions. Health and dental insurance rates and workers' compensation rates are fixed costs per employee per month; the quarterly distribution is four equal amounts unless positions are either phased in or eliminated during the year. Any adjustments for health insurance rates will be made by a separate statewide financial order later in the year. Retirement calculations, including retiree health insurance, must be made on the actual amount of salary and wages in each quarter. Computations must be based on the following number of paydays in each quarter.

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Cycle A	7	6	7	6
Cycle B	6	7	6	7

Statewide Deappropriations/Deallocations. Those statewide deappropriations and deallocations associated with health insurance, attrition, retirement unfunded liability and retiree health insurance have been distributed and are reflected in the amounts available. We will process any other statewide adjustments by separate financial order.

All Other. Requests must provide sufficient amounts to cover requirements for all expenditure codes within currently authorized resources consistent with the approved budget.

Accounts other than those in the General Fund must include allotment for Sta-CAP charges (expenditure code 851100) using the Sta-CAP rate listing (Attachment A). For work program purposes, these rates may be rounded to the nearest tenth of a percent.

Capital Expenditures. Offline departments and agencies must attach to each work program a copy of the original Capital Equipment form from your legislatively approved budget for each account. The total applicable capital from the form must match the total of the appropriate expense category on the expenditures form.

REVENUES

In accordance with the biennial budget instructions, revenues deposited to the General Fund and Highway Fund are undedicated.

Agencies must report revenue estimates using the four digit revenue source code found in the State Controller's listing of revenue source codes. (Departments and agencies with access to BFMS must use the four digit code plus '00'). The projected entry should be the amount actually expected to be received that month, rather than 1/12th of the amount estimated for the year. The revenue estimates must be the best current estimate of what will actually happen; however, projected revenue amounts must agree with the amounts included in the budget document except as subsequently adjusted by the Legislature. BFMS enforces the distribution of revenues consistent with the budget at the account level for departments and agencies that have access to BFMS. A memorandum of explanation identifying any suggested or actual changes must be attached to the submitted revenue form. If for any reason you anticipate that encumbrances/expenditures in non-General Fund accounts will be less than the amount of revenue available or the legislative allocation, contact your Budget Analyst/Examiner in the Bureau of the Budget. The balance of the available allocation and/or revenues will automatically be added to your unallotted reserve.

If at any time during the fiscal year it appears evident that the dedicated revenue upon which the allotment for a non-General Fund account is based will not be realized, you are required to promptly discuss the situation with your Budget Analyst/Examiner so that steps may be taken to adjust the work program to reflect a realistic balance between the projected amounts and month of receipt of resources and the amounts and month of proposed commitment of allotment.

If an account in your agency receives revenues collected or assessed by another account, you should confer as necessary with those responsible for the other account to ensure that the estimated amount and the month of collection used are consistent with your proposed expenditure pattern. Forms projecting the revenue should be submitted only for the account that actually collects the revenue from the source.

CHARACTER & OBJECT CODES

A listing of allowable expenditure codes for preparing the Expenditures form is available to departments and agencies in the Objects window (Select Administration – System Administration – Objects). Offline departments and agencies may contact the Bureau of the Budget to obtain a listing of valid expenditure codes. Expenditure codes in the 3000 and 8000 series must have 4 significant digits, i.e., 3110, 3210, 3910... 8510, 8511, etc., plus '00' as required by BFMS. All others are by even hundreds, i.e., 4000, 4100, 5300, 7200, etc., plus '00'.

Transfer codes used on the Transfers form must have four significant digits depending on the fund type: 2983, 2984, 2987, 2988 if Federal Funds; or 2963, 2964, 2967, 2968 if other than Federal Funds. Revenue sources used on Dedicated Revenue and Undedicated Revenue forms must have four significant digits. Like Expenditures, Transfers and Revenues also require the addition of '00'.

ENCUMBRANCES and UNENCUMBERED BALANCES

Work programs must be prepared on an encumbrance basis. This means that in the preparation of work programs request allotment for the quarters in which firm commitments to purchase will actually be made. For example, in requesting the allotment of funds for the purchase of equipment or commodity items, request the allotment in the quarter the purchase order is expected to be issued and encumbered, rather than in the quarter in which the payment is expected to be made. Allotment should not be requested in the basic work program to cover estimated encumbrances that may be brought forward at the end of June. Allotment should not be requested for any unencumbered balance forward unless it is the only resource available and will be required during the first quarter of the fiscal year.

TRANSFERS

Include in the work program only those transfers which are in the approved budget. BFMS enforces the distribution of transfers consistent with the budget at the account and transfer to account level for departments and agencies that have access to BFMS. Transfers of funds from one account to another are reported by the account giving up the funds. Include the account number that will be receiving the transferred money in the appropriate "From or To Account" column. It is not necessary to initiate receiving entries as the system will automatically generate the positive side of the transfer. Transfers within or between Governmental Funds (General Fund, Highway Fund, Other Special Revenue Funds) are considered transfers of resources or transfers of appropriation/allocation. Transfers to or from other funds (e. g. General Fund to Internal Service Funds) are considered revenues and expenditures between those funds.

1. When transferring funds to an account because it is performing a portion of a program, use the Transfers form and the appropriate transfer code from the 290000 series. Such transfers can only be made between operating accounts (010 through 015). Transfers in the General Fund and Highway Fund must be coded by line. Transfers in other funds must be coded as Unallocated 296800 or 298800.
2. Revenues collected and distributed to other accounts in accordance with a pattern approved by the Legislature should be reported on the Dedicated Revenue form using the appropriate revenue source codes.
3. To move funds between an operating account and a ledger account, use the Expenditures form and the appropriate expenditure codes from the 850000 series; and the Dedicated Revenue form and the appropriate revenue source codes from the 270000 series.

4. Transfers between agencies must be coordinated between the agencies involved.

Transfers between accounts within a department or agency not included in your approved budget submission must be requested by submission of a separate Financial Order. Financial Orders transferring funds between line categories are subject to a 30 day wait subsequent to the Governor's approval so plan accordingly. Transfers affect the resources available to allot in each of the accounts involved; and, therefore a transfer from an account may require a reduction of allotment in that account.

FEDERAL ACCOUNTS FUNDED FROM MULTIPLE SOURCES

Some federal accounts, such as "Administration," operate on funds from more than one federal grant. In those cases, the federal revenue should be recorded as received in each of the grant accounts as revenue and then a transfer of federal funds should be made into the particular administrative account. Using this method, the grant account will reflect the total federal dollars received for that particular grant along with the amount transferred out to cover the cost of administering the account. This transfer out reduces the resources eligible for allotment. All such transfers must be reflected on the Transfers form included in the work program submission for each account providing funds to another and be in accordance with the budget as approved or modified by the Legislature.

If these transfers were in the budget document submission and thus the resources that fund the legislative allocation in the receiving (administrative) account, use the transfer code signifying the line category Unallocated, either 298800 if federal, 296800 if not.

DATA ENTRY and PRINTING

For departments and agencies entering data electronically into the Budget and Financial Management System (BFMS), select the Annual button on the Main Menu screen, 2005 from the Year drop down, select the appropriate Umbrella, select the Statewide Financial Order radio button and click the Select button. In the Statewide Financial Order Summary window, select the record for Financial Order Number **001078F** and click the Select button. Print the forms by selecting Annual under Reports, selecting the Statewide Financial Orders radio button and clicking the Open button.

Refer to the BFMS User's Manual for additional information about entering and printing Statewide Financial Orders.

PERFORMANCE MEASURES

For departments and agencies that are required to prepare performance based budgets, please be sure to distribute the performance measures for FY 05.

Attachment A

Sta-Cap Rates

Locate your umbrella and unit number in one of the columns below. If your unit number has a letter attached, use the um-unit which has the same 3-digit number as your unit. The multiplier to the immediate right of your um-unit number is the decimal to use to calculate C&O 8511 for Form C Expenditures. See instructions.

Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates	Dept & Unit	Indirect Cost Rates
01-001	4.539%	06-101	2.107%	15-210	0.404%	26-550	3.083%	94-414	0.0
01-014	1.934%	06-558	8.699%	15-213	1.070%	27-244	4.788%	94-457	0.0
01-015	1.653%	07-102	11.346%	15-214	1.419%	28-248	1.508%	98-290	0.213%
01-017	0.932%	07-105	3.906%	15-215	1.015%	29-250	3.076%	98-497	0.0
01-026	1.139%	07-113	4.989%	16-219	3.284%	29-255	34.104%	99-016	0.0
02-028	0.320%	07-413	0.564%	16-221	1.696%	30-263	2.376%	99-024	0.0
02-029	0.880%	07-575	0.0	16-222	1.326%	30-271	1.314%	99-176	0.0
02-030	0.747%	09-137	1.810%	16-224	0.613%	30-272	0.104%	99-330	0.0
02-031	0.561%	09-167	0.681%	16-226	0.661%	30-519	1.310%	99-346	0.0
02-032	0.880%	09-189	0.904%	16-228	14.921%	31-556	21.939%	99-397	0.0
02-041	0.875%	09-218	0.531%	16-230	0.337%	40-274	0.564%	99-475	0.0
02-313	1.744%	09-236	1.129%	16-574	0.599%	65-407	4.536%	99-479	0.0
02-322	1.824%	09-585	1.144%	17-231	3.366%	75-370	0.452%	99-480	0.0
02-373	0.783%	10-144	2.625%	17-234	0.622%	78-421	0.719%	99-516	0.0
02-380	0.894%	10-148	3.627%	17-243	1.036%	90-077	1.276%	99-561	0.0
02-382	4.147%	10-149	0.900%	17-246	0.816%	90-351	2.626%	99-576	0.0
02-383	1.677%	10-182	0.687%	18-106	0.0	90-590	0.863%	99-587	0.0
03-201	3.585%	10-560	0.671%	18-117	0.0	92-400	0.0	99-599	0.0
03-204	0.525%	12-150	1.194%	18-119	0.0	92-429	3.054%	99-613	0.194%
03-205	1.922%	12-152	1.652%	18-125	0.497%	92-533	2.437%	99-618	0.194%
03-206	0.516%	12-168	0.605%	18-127	0.757%	92-549	0.0	99-620	0.0
03-208	8.569%	12-169	0.865%	18-133	0.348%	92-609	.225%	99-999	0.0
03-211	0.916%	12-170	8.502%	18-134	0.0	94-073	12.423%		
03-220	0.640%	12-180	8.653%	18-185	3.598%	94-075	4.498%		
03-225	0.584%	12-597	2.878%	18-350	0.387%	94-088	6.577%		
03-237	0.969%	13-188	2.486%	18-389	2.923%	94-089	4.776%		
03-473	1.776%	14-118	7.064%	18-446	0.0	94-097	0.0		
03-615	1.610%	14-191	14.791%	18-551	1.561%	94-112	0.0		
04-058	0.736%	14-193	0.882%	18-553	2.137%	94-270	7.066%		
04-056	0.0	14-194	0.575%	18-554	4.228%	94-289	1.230%		
04-059	1.550%	14-195	0.593%	18-555	0.461%	94-293	0.738%		
04-060	4.999%	14-197	2.487%	19-100	4.022%	94-294	0.0		
04-061	0.802%	14-198	0.923%	19-498	1.150%	94-348	10.147%		
04-062	0.998%	14-199	0.859%	19-499	2.593%	94-376	0.0		
05-071	3.252%	14-200	0.812%	19-536	0.076%	94-391	2.647%		
05-087	0.0	14-207	0.722%	19-607	0.260%	94-409	0.0		
05-090	0.0	14-472	1.153%	26-239	3.772%	94-411	0.0		
06-096	1.863%	15-210	0.404%	26-242	.830%	94-412	0.0		